

IP: BUSINESS ETHICS

1. **Welcome!**
2. **Who are we? Bob, Damian, and Noa, with assistance from Dennis Turner.**
3. **A recommended book: Rush Kidder, *How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living*, (NY: Fireside, 1995). (Used Monday and Tuesday.)**
4. **The Student's Handbook of Readings**

5. Five Handouts:

- **Course outline, Assessment, Timetable**
- **Five Syndicate groups of 5/6.**
- **Questions for Mr Ethicist of the *NYT* and the Australian CEO.**
- **Cases from M&W — to be done in teams of 4 — your choice; email bobm@agsm.edu.au with names.**
- **Eight IGE cases, for syndicate discussion.**

Assessment

The IP will be graded as Satisfactory/Unsatisfactory.

Five items for assessment:

- I. Three individual Homework assignments (due 9am Tuesday, Wednesday, and Thursday). (each 5%)**
- II. Class participation, including team presentation of a case on Friday, with a 1- or 2-page outline. (30%)**
- III. A 5-page essay on a topic to be advised in class (due by October 6th). (55%)**

Our Teaching Philosophy

We all have dirty hands!

We are not here to preach.

We are all human: to err is human.

We have all behaved unethically at some time or other. Sometimes difficult to acknowledge this, even to ourselves.

We agree on confidentiality here: Chatham House rules — only between these four walls.

Ethical Dilemmas — Truth v Loyalty.

Consider:

Stan learns from his boss that a team member of his, Jim, will be fired, but this is confidential.

Jim asks Stan to confirm the rumour he's heard: he'll be fired.

What should Jim say?

A dilemma: Truth v loyalty.

Ethical Dilemmas — Individual v Community.

Or:

John learns that five elderly residents of his old-folks home have had surgery at a hospital which now informs him that its transfusion blood might have been HIV-infected.

The hospital asks for the five to be tested (it's 1987).

What should John say and to whom should he say it?

Fear of HIV in 1987 among staff, among residents, could lead to panic.

But ignorance could lead to further infection.

It's right to tell, and right not to unnecessarily scare:

A dilemma: Individual v community.

Further on Individual v community:

What is our “community”?

Do we see “circles” of closeness to us: family, relatives, friends, neighbours, acquaintances, local community, co-religionists, fellow ethnics, compatriots, kith (same language speakers).

See Nobel Laureate Ken Arrow’s piece on pp. 127 of the Pack.

Ethical Dilemmas — Short-term v Long-term.

Or:

Andy with a young family (twins!), and with a new job. With only one income, money is tight.

Should he spend more time with the wife and kids, or study part-time for an MBA, which will result in a better career and more money in the future?

A dilemma: Short-term v long-term.

Ethical Dilemmas — Justice v Mercy.

Or:

The professor has warned all students not to copy assignments, although they may talk about them.

She finds two assignments with almost identical answers.

The University warns all new students that plagiarism is a serious offence.

She knows that one of the two students has had family problems.

What should she do?

A dilemma: Justice v mercy.

Rush's Four Ethical Dilemmas

- **Truth v Loyalty.**
- **Individual v Community.**
- **Short-term v Long-term.**
- **Justice v Mercy.**

Any ethical dilemma will fit at least one of these four, says Rush.

If not, then ask: perhaps it's a case of Right versus Wrong?

But what about ...

Student Pam works part-time as a receptionist at home for the elderly and has befriended many of the tenants.

Last winter, many of them complained to her that the rooms were too cold.

When Pam relayed this to her boss, she was told to tell the old folks that the furnace was broken.

But Pam knew that the furnace had been turned down to save fuel and money.

The truth will cost her the job.

Or:

Bob makes keys, and is accused of selling car master-keys over the Internet, without certainty that the customers are not car thieves.

Bob's defence: it's not up to him to know his customer's intentions, and it's not illegal to sell master-keys.

Is Bob responsible for the consequences of selling master-keys?

Or:

Della is a survey research firm supervisor, and needs to get a survey finished in a dangerous part of town.

The last three interviewers who went there: two quit on the first day, the third was mugged and is recovering.

What, if anything, should Della tell a newly hired interviewer about the neighbourhood?

Three Ways to be Wrong

- 1. To break the law.**
- 2. To lie knowingly.**
- 3. To behave inappropriately — to ignore others' law-breaking or wrong-doing; to let down a friend for no good reason; to fail to perform a duty; to deceive for self-benefit; to take advantage of the trust of others.**

“Inappropriate” might depend on context, or place, or time.

**Wrong-doing mostly arises from “immorality.”
Cheating the Bagel Man?**

Don't confuse Right v Wrong with Right v Right.

Ethical Dilemmas are Right v Right

Justice v Mercy:

fairness, equity, and non-discriminatory application of laws and rules often conflict with compassion, empathy, and love.

Short-term v Long-term:

Now v then: immediate or future?

Individual v Community:

us v them, self v others, the smaller group v the larger group.

Truth v Loyalty:

honesty or integrity v commitment or responsibility or keeping one's word.

Are There Other Sorts of Ethical Dilemmas?

(Ethics: obedience to the unenforceable?)

Anyone?

Can you try to come up with an example that isn't described by one (or more) of the four tonight?

First Syndicate Exercise

In the five groups we've divided you into, go and discuss one of the five situations (from Kidder's web site) now handed out.

Designate a spokesperson, and come back and tell us what (if anything) your group decided.

Return: after the coffee break, at

Second Syndicate Exercise

In the five groups, go and discuss one of the three situations now handed out.

Designate a spokesperson, and come back and tell us what (if anything) your group decided.

Return: at

Monday's Homework (individual)

- 1. Read Friedman pp.35, Humber pp.41, and Nash pp.181 (in the Readings). Answer the questions in the Course Outline under Monday HW.**
- 2. Choose two of the questions from Mr Ethicist or the Australian CEO and ask which (if any) of the four dilemmas they fall into. (Could be more than one dilemma.)**
- 3. Try to think of an ethical quandry which isn't described by one (or more) of the four.**
- 4. See the Reflections Guide in the Course Outline and write half a page.**
- 5. Due by 9am tomorrow, max five pages. (Be prepared to share in class).**